MODULE 1

Program Integrity Final Regulations October 29, 2010





Final Regulations Published

- Federal Register 10/29/10
 - Program Integrity Issues School & Student
 - To improve the integrity of the Title IV student assistance programs
 - Generally effective 07/01/11 (2011-2012)
 - Verification effective with 2012-2013 award year







 Change reflected in new regulations requires institutions to develop and follow procedures to evaluate the validity of a student's high school diploma if the institution or the Secretary has reason to believe that the diploma is not valid or was not obtained from an entity that provides secondary school education.



References: 34 CFR 668.16(p)

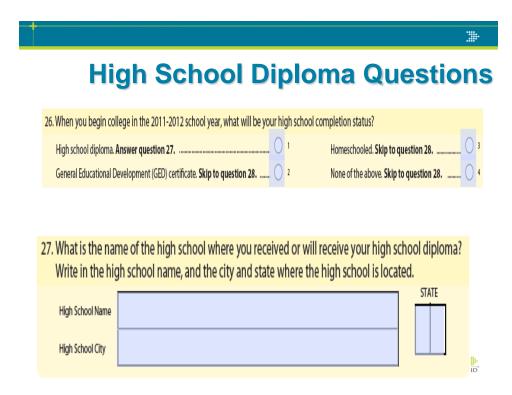


High School Diploma

- Effective with 2011-12 FAFSA, additional question on FAFSA requesting name, city, and state of high school - question 27
 - Paper FAFSA Student who responds that does have high school diploma is instructed to continue to question 27
 - FAFSA on Web Student who responds that does have high school diploma AND is a first year undergraduate is presented with question 27



References: 2011-12 FAFSA



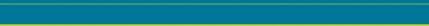
References: 2011-12 FAFSA



FAFSA List Of Schools

- List of schools in FAFSA drop-down box is populated by NCES
 - Not master list of "allowable" schools
 - Not list of "good" or "bad" schools
 - Includes most public and private U.S. high schools, but is not all-inclusive





2011-2012 Award Year

- No requirement to collect high school diplomas
- No requirement to compare with information collected by Admissions
- No comments related to high school status on ISIR



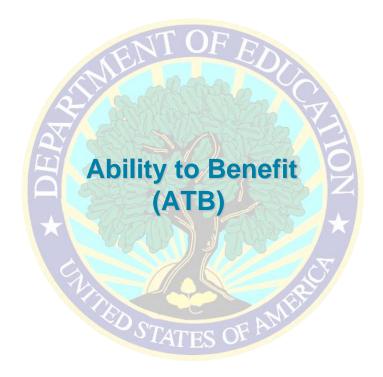




High School Diploma

- · Documentation may include a copy of:
 - High school diploma
 - Final high school transcript
 - Information from companies that evaluate foreign diplomas
 - Student-certification not sufficient
 - No appeal process in regulations
- ED analysis & further guidance as needed
 - Electronic Announcements
 - DCLs
 - FSA Handbook







- Regulations add new HEOA option for student to meet Ability to Benefit requirement
 - Completing hours applicable to an eligible degree or certificate offered by the institution
 - 6 semester, trimester, or quarter hours OR 225 clock hours
 - ★Testing out does not satisfy completion of hours



References: 34 CFR 668.32(e)(5)



- Not an "optional requirement" if school admits students without high school diploma as regular students
 - Institution cannot fail to accept the satisfactory completion of 6 credit hours or equivalent coursework that is applicable toward a degree or certificate at that institution as student's ability to benefit



References: 34 CFR 668.32(e)(5)



- No Title IV aid payment for 6 credits/225 clock hours, either prior to or retroactively
 - Pay for period after completion of hours
- In nonterm, clock hour, and modular programs cannot pay back to beginning of payment period
 - Example Clock hour school would establish new academic year/payment period beginning with hour 226



References: 34 CFR 668.32(e)(5)

Example: Clock hour cosmetology program where the student is admitted without a high school diploma into a 1500 clock hour program. The student is not funded with Title IV aid. After satisfactory completion of the first 225 clock hours, the student has demonstrated ability to benefit and becomes Title IV eligible. The student cannot be paid for the 225 clock hours already completed. Beginning with clock hour 226, the student begins a new payment period and a new academic year for aid.

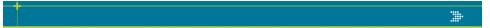




- New and revised definitions added to the regulations that affect ATB testing
 - "assessment center"
 - "independent test administrator"
 - "individual with a disability"
 - "test"
 - "test administrator"
 - "test publisher"



Reference: 34 CFR 668.142



- Establish requirements for test publishers
 - Have processes for handling test score irregularities
 - Describe accommodations for individuals with disabilities
- Revised test approval procedures



References: 34 CFR 668.144(c)(17), 668.144(c)(18), 668.145



- Non-native speakers of English taking programs taught in native language with ESL component or with a portion taught in English
 - student must take approved English proficiency test prior to beginning English portion of program
- For individuals with disabilities, the regulation revises acceptable documentation of disability



References: 34 CFR 668.153(a)(2), 668.153(a)(5)





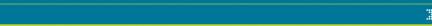


Misrepresentation

- Regulations provide that misrepresentation is any false, erroneous, or misleading statement made by the institution directly or indirectly to a student, prospective student, member of the public, accrediting agency, state agency, or to ED
 - Misleading statement includes any statement that has the likelihood or tendency to deceive or confuse
 - Statement is any communication made in writing, visually, orally, or through other means
 - Includes student testimonials given under duress or because such testimonial was required to participate in a program



References: 34 CFR 668.71(c)



Misrepresentation

- Regulations further provide that substantial misrepresentation is
 - Any misrepresentation on which the person to whom it was made could reasonable be expected to rely, or has reasonably relied, to that person's detriment



References: 34 CFR 668.71(b), (c)





Misrepresentation

New regulations to protect consumers

- Describes misrepresentation with respect to:
 - Nature of the educational program
 - Nature of financial charges
 - Employability of graduates
 - Relationship with ED
 - A Title IV eligible school may not describe its participation in a way that suggests approval or endorsement by ED of the quality of its educational programs



References: 34 CFR 668.72, 668.73, 668.74, 668.75







- Statutory language states that a school will not provide a commission, bonus or other incentive payment based <u>in any part</u>, directly or indirectly on success in securing enrollments or financial aid to <u>any person or entity</u> engaged in any student recruiting or admission activities or in making decisions regarding awarding Title IV funds
 - HEA Section 487(a)(20)
- 12 Safe Harbors removed



Incentive payment must not be based, in any part, directly or indirectly, on success in securing enrollments or financial aid .

Incentive compensation prohibition does NOT apply to recruitment of foreign students residing in foreign countries not eligible for Title IV. This exception exists in current regulations as well.





Adjustments To Compensation

- For an employee engaged in any student recruiting or admission activities or in making decisions regarding awarding financial aid -
 - An annual adjustment in a calendar year is acceptable if school can document that said adjustment not based upon enrollments
 - Example would be merit-based adjustments of compensation as long as not based in any part, directly/indirectly upon success in securing enrollments or awarding financial aid



References: 34 CFR 668.14(b)(22)(ii)





Adjustments To Compensation

- For an employee engaged in any student recruiting or admission activities or in making decisions regarding awarding financial aid -
 - Multiple adjustments in a calendar year are considered to have been made based upon success in securing enrollments or awarding financial aid if those adjustments create compensation based in any part, directly or indirectly on securing enrollment or awarding financial aid.



References: 34 CFR 668.14(b)(22)(i)(B)

The Department is aware that institutions may use different qualitative factors for recruiter evaluations, separate and distinct from the number of students enrolled. Factors such as seniority and length of employment may be an appropriate basis on which to make a decision regarding compensation.

Institutions are free to promote and demote recruitment personnel, as long as these decisions are consistent with the HEA's prohibition on the payment of incentive compensation.





Acceptable Compensation

- Eligible schools, school contractors and other entities may make
 - Profit-sharing payments so long as such payments are not provided to any person who is engaged in student recruitment or admission activity or in making decisions regarding the award of Title IV funds



References: 34 CFR 668.14(b)(22)(ii)





- Definitions
 - Commission, bonus, or other incentive payment - a sum of money or something of value, other than a fixed salary or wages, paid or given to a person or entity for services rendered
 - Enrollment admission or matriculation of a student into an eligible institution



References: 34 CFR 668.14(b)(22)(iii)(A)





- Definitions
 - Securing enrollments or the award of financial aid
 - Activities a person/entity engages in at any point in time through completion of an educational program for the purpose of admission or matriculation of students for any period of time or the award of financial aid to students



References: 34 CFR 668.14(b)(22)(iii)(B)





- Entity/person engaged in any student recruitment or admission activity or in making decisions about the award of financial aid means —
 - Any institution or organization that undertakes the recruiting or the admitting of students or that makes decisions about and awards Title IV funds; and
 - Any person who undertakes recruiting or admitting of students or who makes decisions about and awards Title IV funds, and any higher level employee with responsibility for recruitment or admission of students, or making decisions about awarding Title IV funds



References: 34 CFR 668.14(b)(22)(iii)(C)





- Two-part test to evaluate if incentive compensation
 - (1) Whether the payment is a commission, bonus, or other incentive payment, defined as an award of a sum of money or something of value paid to or given to a person or entity for services rendered; and
 - (2) Whether the commission, bonus, or other incentive payment is provided to any person based in any part, directly or indirectly, upon success in securing enrollments or the awarding of financial aid
- If the answer is YES to both questions, then payment would be prohibited

References: October 29, 2010 Federal Register, page 66876





State Authorization

- State Authorization is a component of institutional eligibility
- Regulations define what constitutes state authorization of an institution to operate and grant certificates or degrees
- Clarification: States may continue to rely on accrediting organizations as proxies for authorization (e.g., vocational boards)



References: 34 CFR 600.9



State Authorization

- · Role of the state
 - Approving institutions
 - Monitoring institutions
 - Responding to complaints about institutions from the public



References: 34 CFR 600.4(a)(3), 600.5(a)(4), 600.6(a)(3), and 600.9



State Authorization

- Institutions must be licensed to provide postsecondary educational programs by-
 - State charter, constitution, license, or other document
 - Federal Government approval
 - Indian Tribe
 - Religious institution exempt from state authorization
- The license must be subject to adverse action
- States must establish a process to review and act on complaints about an institution and enforce state laws



References: 34 CFR 600.9, 668.43(b)

A school is considered to be licensed by an Indian tribe, provided that institution is located on tribal lands and the tribal government has a process to review and appropriately act on complaints concerning an institution, and enforces applicable tribal requirements and law.

A religious institution is one that is owned, controlled, operated, and maintained by a religious organization lawfully operating as a nonprofit religious corporation and awards only religious degrees or certificate, including but not limited to, a certificate of Talmudic studies, an associate of Biblical studies, a bachelor of religious studies, a master of divinity, or a doctor of divinity.



3

State Authorization & Distance Education

 School must make certain that it is legally authorized to offer postsecondary education in any state where distance education students reside

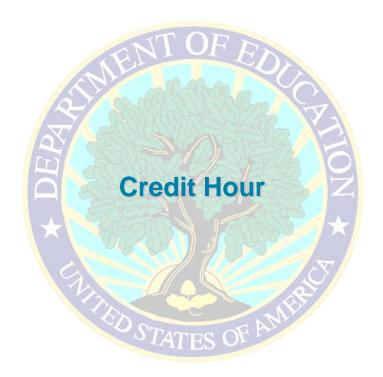


References: 34 CFR 600.9(c)

Definition of distance education from 34 CFR 600.2:

Education that uses one or more of the technologies listed in paragraphs (1) through (4) of this definition to deliver instruction to students who are separated from the instructor and to support regular and substantive interaction between the students and the instructor, either synchronously or asynchronously. The technologies may include –

- 1) The internet;
- One-way and two-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications devices;
- 3) Audio conferencing; or
- 4) Video cassettes, DVDs, and CD-ROMs, if the cassettes, DVDs, or CD-ROMs are used in a course in conjunction with any of the technologies listed in paragraphs (1) through (3) of this definition.







Credit Hour

- An institutionally established equivalency that reasonably approximates not less than
 - One hour of classroom or direct faculty instruction and a minimum of two hours out of class student work per week

or

- Equivalent work for other academic activities as established by the institution
 - Including laboratory work, internships, practica, and studio work
- Regulations create procedures that accrediting agencies must use to determine if an institution's assignment of a credit hour is acceptable



References: 34 CFR 600.2, 602.24





- New regulations also modify provisions on when an institution must use clock or credit hours and standards for credit-to-clock-hour conversions
 - Undergraduate nondegree credit hour programs must use clock-to-credit hour conversion unless each course in the program is fully acceptable to a degree program at the institution
 - Institution must be also be able to demonstrate that students enroll in and graduate from that degree program



References: 34 CFR 668.8(k)

A program is considered to be a clock hour program for purposes of Title IV aid if:

- it is required to measure student progress in clock hours when receiving federal or state approval or licensure to offer the program; or
- completion of the clock hours is a requirement for graduates to apply for licensure or the authorization to practice the occupation that the student is intending to practice.



- For those programs subject to the clock to credit hour conversion, the new conversion formula provided in regulation is
 - One semester or trimester credit hour is equal to at least 37.5 clock hours
 - One quarter credit hour is equal to at least 25 clock hours



References: 34 CFR 668.8(I)(1)





- Regulations do provide for exception for institutions that demonstrate that the credit hours meet new definition of credit hour
 - if no deficiencies identified by accreditor or State for assigning credits
- In that case, must meet these minimums
 - One semester or trimester credit hour is equal to 30 clock hours
 - One quarter credit hour is equal to 20 clock hours



References: 34 CFR 668.8(I)(2)



- For students enrolled in programs subject to the conversion as of July 1, 2011, institution may
 - Use current regulations until the students complete the program; OR
 - Apply new regulations for all students enrolled in payment periods assigned to the 2011-12 award year
- For students who enroll or reenroll on or after July 1, 2011, institution *must* use the new regulations



References: October 29, 2010 Federal Register, page 66857



These final regulations address written arrangements between two or more eligible institutions that are under common ownership and agreements between eligible and ineligible institutions/organizations and general disclosures associated with any written arrangements.

It is always important to remember that any program offered in a written arrangement must meet the requirements of an eligible program.

Written arrangements are often referred to as consortium or contractual agreements.





Written Arrangements

- If arrangement between an <u>eligible</u> and an <u>ineligible</u> school/organization, the program is not eligible if the ineligible school or organization was:
 - Terminated
 - Withdrew due to administrative action by ED, Accrediting Agency, State licensing agency, or guarantor
 - Certification or re-certification for participation in Title IV programs revoked or denied by ED



References: 34 CFR 668.5(c)



Written Arrangements

- If there is an arrangement between 2 or more eligible schools owned or controlled by the same individual, partnership, or corporation
 - The school that grants the degree/certificate must provide MORE than 50% of the program
- Does NOT apply to public or nonprofit institutions



References: 34 CFR 668.5(a)(2)





Written Arrangements

- Required disclosures to prospective & enrolled students applicable to all schools where program is designed to be offered by another entity
 - Portion of program not being offered by the degree/certificate granting school
 - Name and location of the other school/organization
 - Method of delivery not being offered by the degree/certificate granting school
 - Estimated additional costs may incur due to arrangement

References: 34 CFR 668.5(e), 668.43(a)(12)



Regulations provide July 1, 2012 effective date. That is the official beginning of the 2012-2013 award year. These regulations are effective for all 2012-13 applicants and ISIR's. Remember that CPS begins processing 2012-13 on January 1, 2012. These rules will apply.



Verification - Definitions

- Subsidized student financial assistance programs
 - Verification applies to Title IV programs where eligibility based upon Expected Family Contribution
 - Pell, FSEOG, FWS, Perkins, Direct Subsidized Loan
- Unsubsidized student financial assistance programs
 - Verification does not apply to Title IV programs where *eligibility not based upon* Expected Family Contribution
 - TEACH Grant, Direct Unsubsidized Loan, Direct PLUS Loan

References: 34 CFR 668.52



- All applicants selected for verification (either by ED or school) must complete verification before any PJ adjustments made to FAFSA
- School's written verification policies and procedures must include statement that no adjustments can be made until verification is completed





References: 34 CFR 668.53(c)

It is important to note that all FAFSA information selected for verification must be verified prior to exercising professional judgment regardless of whether the *school* or *ED* selected the student.



Verification Selection

- Institutions must verify all applicants selected by CPS for verification
 - Removes institution's option to verify only 30% of applicant pool



References: 34 CFR 668.54(a)

The Department's intent is to continue to select approximately 30% of all FAFSA applicants during an award year. However, our process does focus on Pell eligible applicants where there is a strong likelihood that verification will result in a change in the Pell award.

Beginning with the 2012-13 award year, schools must verify all applicants selected by CPS.





Verification - Exclusions

- No verification required if
 - Applicant is eligible to receive only unsubsidized aid
 - Applicant received no aid for reasons other than failure to complete verification
 - Transfer student already completed verification for the award year at a prior school
 - Current school must collect statement from prior school, providing transaction number of applicable ISIR
 - Current school must pay on verified transaction
 - Death of applicant



References: 34 CFR 668.54(b)(1)





Verification - Exclusions

- Not required to verify FAFSA information for parents of dependent student or spouse of independent student if parents/spouse
 - Reside outside U.S. and cannot be contacted by normal means of communication
 - Cannot be located because contact information is unknown and cannot be obtained
 - Mentally incapacitated
 - Deceased (spouse)



References: 34 CFR 668.54(b)(2), (b)(3)

Note that the exclusion for students/parents who are citizens of the Republic of Palau, the Marshall Islands, and the Federated States of Micronesia has been removed.





Verification – Marital Status

- · Updating Marital Status:
 - MAY require student to update FAFSA if change in marital status necessary to address an inequity or reflect more accurately ability to pay
 - FAFSA needs to reflect accurate household size, number in college, dependency status and family financial information



References: 34 CFR 668.55(c)

This is a big change from current regulation and it may be done at the school's option, on an individual student basis. It is not considered a PJ adjustment. A school may establish a cut-off date after which the school will not consider marital status updates.

Marital status may *not be projected* on the FAFSA form.





Information to be Verified

- Beginning with 2012-12, ED will publish a Federal Register Notice prior to beginning of each award year's FAFSA processing listing possible verifiable items and acceptable documentation
 - SAR/ISIR will specify required verification items for individual applicant



References: 34 CFR 668.56

Please note that this change in required verification items is effective with the 2012-13 award year. Also, remember that conflicting information must always be resolved, regardless of verification.

School retains ability to verify applicants and select additional items





Acceptable Documentation

- School may require an individual granted a tax filing extension to provide a copy of their completed and signed tax return when filed
 - If school receives a copy of the return, it MUST verify AGI and taxes paid
- Clarifies that tax returns submitted with preparer signature (wet, stamped, typed or printed) with the name and address of the preparer must also have their SSN, EIN, or PTIN



References: 34 CFR 668.57



Verification – Changes To FAFSA Information

- For subsidized programs, all changes resulting from verification must be submitted to CPS if change is
 - To any nondollar item or
 - A single dollar item of \$25 or more
- If required to submit one change, must submit all changes



References: 34 CFR 668.59

Current regulations only require changes be submitted to CPS if Pell Grant eligibility changes.

Change to submitting corrections and elimination of the \$400 tolerance are effective beginning with the 2012-13 award year.





Verification & Interim Disbursements

- Interim disbursements may be made without receipt of corrected ISIR if completed verification makes no change to aid eligibility
 - However all required corrections must be submitted to CPS and school must receive revised ISIR transaction



References: 34 CFR 668.58



- No longer limits student to lesser Pell award if verification completed after enrollment
 - Student would receive Pell payment based upon correct EFC
- Must have valid ISIR to support disbursements



References: 34 CFR 668.60





IRS Data and Verification

For 2010-11 & 2011-12

- An institution may consider IRS retrieved information as acceptable verification documentation if
 - The Secretary has identified those items as having come from the IRS and have not been changed
 - → IRS Request Flag = 02



References: 34 CFR 668.57(a)(2)

IRS retrieval process does not import number in household and number in college. Schools must still collect appropriate documentation of these for an applicant selected for verification.

Dependent student and parent will have separate IRS Request Flags on ISIR.





Satisfactory Academic Progress

- Consolidates SAP regulations into 34 CFR 668.34
 - Administrative capability 668.16 now only refers to policy
 - Student eligibility in 668.32 still includes as eligibility requirement
 - Satisfactory progress in 668.34 now contains all elements of SAP



References: 34 CFR 668.16, 668.34





Satisfactory Academic Progress

- New regulations provide for the following
 - Continued flexibility for institutions in establishing SAP policies to meet the needs of students
 - Additional flexibility for institutions that monitor SAP more often than the annual requirement
 - Definitions for "warning" and "probation" to ensure standard usage
- In general, a student who is not making SAP is no longer eligible for Title IV aid



References: 34 CFR 668.34



SAP Policy

- · SAP policy required elements include
 - Measurement of student's progress at each evaluation
 - GPA that a student must achieve at each evaluation (qualitative standard)
 - Pace of progression to ensure completion within the maximum time frame (quantitative standard)



References: 34 CFR 668.34(a)



- · SAP policy required elements include
 - How GPA and pace of completion affected by
 - Incompletes
 - Withdrawals
 - Repetitions
 - Transfers of credit from other schools
 - Must count transfer hours accepted toward completion of student's program as both hours attempted and hours completed



References: 34 CFR 668.34(a)(6)





Maximum Time Frame

- For undergraduate programs of study, must be no longer than 150% of published length of educational program
 - For credit hour programs, as measured in credit hours attempted
 - For clock hour programs, as measured in cumulative clock hours required to complete and expressed in calendar time
- For graduate programs of study, institution defines the maximum period based upon length of educational program

References: 34 CFR 668.34 (a), (b)

Example for credit hour programs: BA/BS that requires 120 credits for graduation. 150% of 120 is 180. That means that at the most, a student may attempt or enroll in 180 credits, with the objective of earning the 120 needed to graduate. The school must do a continual review of the student's progress toward completion. The possibility exists for the student to receive aid up to the maximum time frame of 180 credits. However, if a SAP review shows that the student, who is maybe at 110%, cannot complete his program within 180 credits, all Title IV aid must stop.

Example for clock hour programs: If the program is 1200 clock hours and meets 30 clock hours per week, that means the program is 40 weeks in length. 150% of 40 weeks is 60 weeks. A student may receive aid while enrolled in this program, for up to 60 weeks to complete the 1200 clock hours required for graduation.



Maximum Time Frame

- School's policy must specify
 - Pace of progression required to ensure student completes within maximum time frame and that pace is measured at each evaluation
 - Pace calculated by dividing cumulative hours student successfully completed by cumulative hours student has attempted
 - Remedial coursework may be excluded



References: 34 CFR 668.34(a)(5)

Example for credit hour programs: Maximum time frame is 180 credits for a 120 credit hour degree program. What is the pace that a student must keep to complete the program within 180 attempted credits?

120 divided by 180 is a pace of 67%. If a student earns 67% of the credits attempted in each term, the student should complete the program within the maximum time frame. This is applicable at any enrollment status, as it is designed to measure completion appropriately for each student, regardless of enrollment status.

Student takes 12 credits in fall term and earns 12 credits. The student has earned 100% of the credits attempted. In the spring, the student enrolls for 18 credits and earns 15. He has a cumulative total of 27 credits. The cumulative total of attempted credits is 30. 27 divided by 30 is a pace of 90%. Note that this is cumulative, and should not be calculated by individual term.





How Often Is SAP Evaluated?

- For programs of study that are one academic year or less in length, school must evaluate SAP at end of each payment period
- For programs of study longer than one academic year –
 - School must evaluate at least annually to correspond with end of a payment period
 - School may evaluate at end of each payment period



References: 34 CFR 668.34(a)(3)

For credit hour term-based programs, evaluating SAP at the end of each payment period must include all terms of the student's attendance, including summer term.

For clock hour programs, the SAP evaluation must be done at the end of a payment period. Schools cannot choose to evaluate SAP for all students on a specific calendar date, as all students will not have completed the clock hours in the payment period on that date.





SAP - Warning

- · Financial Aid Warning
 - Status assigned to a student who fails to make SAP at an institution that evaluates SAP at the end of each payment period
 - Student may continue to receive Title IV aid for one payment period
 - No appeal necessary for this status



References: 34 CFR 668.34(b)





SAP - Probation

- · Financial Aid Probation
 - Status assigned by an institution to a student who fails to make SAP and who has appealed and has had eligibility for Title IV aid reinstated
 - Institution may impose conditions for student's continued eligibility to receive Title IV aid
 - Student may receive aid for one payment period



References: 34 CFR 668.34(b)



- Process by which a student who is not meeting institution's SAP policy petitions for reconsideration of eligibility for Title IV aid
 - Appeal policy must specify the conditions under which a student may appeal
 - Student's appeal must include
 - · Why failed to make SAP and
 - What has changed that will allow the student to make SAP at the next evaluation

References: 34 CFR 668.34(a), (b)

Schools are not required to have an appeal process for students who fail to meet satisfactory academic progress standards. If a school chooses not to have an appeal process, the SAP policy must include a description of how a student may reestablish eligibility for Title IV aid.



If Appeal Approved

- · School has determined that the student
 - Will be able to make SAP standards by end of next payment period

OR

 Will be placed on academic plan that will ensure able to meet SAP standards by specific point in time



References: 34 CFR 668.34(c), (d)





Does Not Evaluate Each Payment Period

- At an institution that evaluates SAP less often than each payment period, if a student loses eligibility for Title IV aid
 - Student may be placed on Financial Aid Probation for one payment period after an appeal
 - After Financial Aid Probation, the student must be making SAP or successfully following an academic plan



References: 34 CFR 668.34(d)





Evaluate Each Payment Period

- At an institution that evaluates SAP each payment period, if student loses eligibility for Title IV aid
 - Student may be placed on Financial Aid Warning for **one** payment period
 - Student must make SAP at that time or may be placed on Financial Aid Probation for one payment period after an appeal
 - After Financial Aid Probation-
 - Student must be making SAP, or
 - Must be successfully following an academic plan

References: 34 CFR 668.34(c)



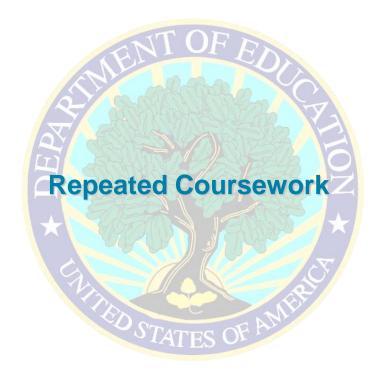


SAP - Notifications

- · Required SAP notifications
 - Institution must notify student of results of SAP review that impacts the student's eligibility for Title IV aid
 - If the institution has an appeal process, must describe the specific elements required to appeal SAP
 - If institution does not have an appeal process, must describe how a student who has failed SAP reestablishes eligibility for Title IV aid



References: 34 CFR 668.34(a)(11)





Repeated Coursework

- Amends definition of full-time student to allow repeated coursework to count toward enrollment status in term-based programs
 - May repeat previously passed course once
 - May repeat failed course until it is passed





References: 34 CFR 668.2







Program Definitions

- New rules define a program "offered in modules"
 - A course or courses in program do not span entire length of payment period or period of enrollment
- Doesn't matter what "modules" are called at the institution



References: 34 CFR 668.22(I)(6)



- Standard term program "offered in modules"
 - Two 8-week sessions within a 16 week semester
 - Three 5-week sessions within a 15 week semester
 - Two 6-week sessions within a 12 week quarter
 - Winter "inter-session" or "J term" between fall and spring semesters



References: 34 CFR 668.22(I)(6)

Semester Calendar Example

Far Away University has a semester term-based calendar that includes two 16week semesters. Within each 16 semester, there are courses that span the entire term (16 weeks) and there are 4 modules (A, B, C, D) of 4 weeks each, offered consecutively. In the fall semester, the student enrolls in modules A, B, and D. Student completes courses in module A. Student begins Module B and withdraws. At this point, student is a Title IV withdrawal and an R2T4 calculation must be done. This is VERY different from current rules that do not consider the student to be a Title IV withdrawal because she has completed a course in the term. The student's registration for module D is not enough to override the R2T4 requirement. However, if the school collects written confirmation from the student, at the time of her withdrawal from module B, that she intends to return for Module D, an R2T4 is not required. If the student returns for Module D, and completes the module, no R2T4 is required. If the student does not return for Module D, an R2T4 is done using the withdrawal date from Module B. If the student returns for Module D and then withdraws, an R2T4 is done using the withdrawal date from Module D.

Note that because we are looking at completed days, if the above student was also enrolled in a course that spanned the entire term, and completed that course, his withdrawal from the modular courses would not make him a withdrawal. By completing the 16 week course, he has completed all days for which he enrolled.



- Student considered to be withdrawal if does not complete all days scheduled to complete within payment period/term
- School must document completed all courses with a passing grade
- If no passing grade in last scheduled course, school must demonstrate student completed period



References: 34 CFR 668.22(a)(2)(A)



Credit Hour Programs Offered in Modules

- Student in modular program not considered a withdrawal if
 - Provides written confirmation of intent to attend a future module in period of enrollment
 - Must be provided at the time of withdrawal
 - Student may change return date in writing
 - Must provide change prior to original return date
- Future module must begin within 45 calendar days in a non-standard and non-term program

START HERE
GO FURTHER
FEDERAL STUDENT AID

References: 34 CFR 668.22(a)(2)



- Nonstandard & Nonterm Programs
 - Student considered to be withdrawal if not scheduled to begin another course in period of enrollment for more than 45 calendar days
 - 45 days measured from end of module ceased attending



Reference: 34 CFR 668.22(a)(2)(i)(C)

Let's look at a nonterm program that has courses offered consecutively, similar to a modular schedule. Each course lasts 5 weeks, or 25 days. The student is enrolled for the entire program of study, which is 60 weeks in length. He begins and completes two courses, 10 weeks, before ceasing attendance. Has the student failed to attend a course for which he was scheduled to attend? Yes, he has, because he was enrolled for the entire 60 weeks and only attended for 10. His completion of those courses is not completion of the period of enrollment. Is he still attending other courses? No, he is not. Did he provide written confirmation of intent to return? Yes, he did, but his chosen return date is more than 45 days from his last attendance. The student's personal obligations require him to "sit out" for two courses, or 50 days. The school must complete an R2T4 calculation because in this non-term program, the student must return within 45 calendar days of the end of the module he stopped attending.



Clock Hour Programs

- Student considered to be withdrawal if does not complete all clock hours and weeks of instructional time that was scheduled to complete
- School must document completed all courses with a passing grade
- If no passing grade in last scheduled course, school must demonstrate student completed period



References: 34 CFR 668.22(a)(2)(B)





Is Student A Withdrawal?

- 1. Did the student cease to attend before completing or fail to begin attendance in a course scheduled to attend?
 - If yes, go to question 2.
 - If no, student not a withdrawal
- 2. When ceased to attend or failed to begin attendance in a scheduled course, was the student attending other courses?
 - If yes, student not a withdrawal
 - If no, go to question 3
- 3. Did the student confirm attendance in a later module in the payment/enrollment period (45 day rule, if applicable)?
 - If no, student is a withdrawal.
 - If not a withdrawal, Pell recalculations may apply



References: October 29, 2010 Federal Register, page 66895-66896

Example 1: School with three 5-week modules within a semester. A student is scheduled to complete two courses in each of the first two modules, with no enrollment in the third module. The student begins attendance in both courses in the first module, but stops attending both after only a few days. No written confirmation of intent to attend module 2 is received.

Let's go through the questions.

- Did the student cease to attend a course for which she was scheduled to attend? Yes.
- At the time the student stopped attending, was she attending other courses?
 No.
- Did the student confirm attendance in a later starting course? No.

The student is a withdrawal and an R2T4 calculation must be done.

Example 2: Same scenario as above, but student only stops attending one of her two courses in the first module. She has ceased attendance in a course she was scheduled to attend.

Let's go through the questions.

- Did the student cease to attend a course for which she was scheduled to attend? Yes.
- At the time the student stopped attending, was she attending other courses?

The student is not a withdrawal. No R2T4 is required.

Example 3: Same scenario. During the first module, the student withdraws from both courses in the second module, and she completes both courses in the first module with a passing grade.

 Did the student cease to attend a course she was scheduled to attend? The answer is No, because the courses were dropped before they began.

So, we don't need to answer the remaining question. We know that the student is not a withdrawal.

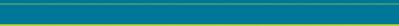
However, recalculation of her Pell award is required because she was paid for two courses that she never attended.



Return After Withdrawal

- Modular term-based credit hour program
 - Withdrawn student may return to same program prior to end of payment period/period of enrollment
 - Student eligible for any Title IV funds for which eligible prior to withdrawal
- Clock hour/nonterm credit hour program
 - Withdrawn student may return to same program within 180 calendar days
 - Student eligible for any Title IV funds for which eligible prior to withdrawal

References: 34 CFR 668.22(a)(2)(iii)(A), (iii)(B)



R2T4 Calendar Days Modular Programs

- Total calendar days include all days on which the student was scheduled to attend
 - Days of completed courses count if course does not span length of term
 - Exclude scheduled breaks of at least 5 consecutive days when student not scheduled to attend a module or other course offered during that period
- For a withdrawn student who has made schedule changes
 - Do not count days of courses officially dropped prior to complete cessation of attendance

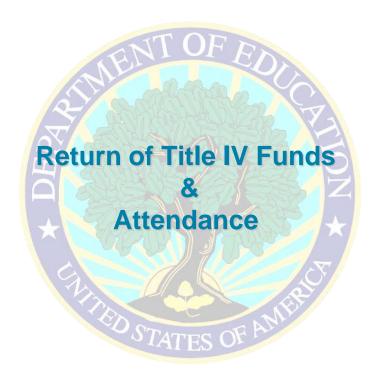
References: 34 CFR 668.22(f)(2)(i)



- Student considered to be withdrawal if does not return as scheduled
- Withdrawal dates back to time that confirmation originally provided
 - Determine withdrawal date and days of attendance as if confirmation of future attendance never provided



References: 34 CFR 668.22(a)(2)(ii)(C)







R2T4 & Taking Attendance

- R2T4 calculates Title IV aid earned based upon student attendance
 - Aid prorated based upon days or hours student attended
- Should use best information available to determine withdrawal date since it directly impacts dollars







Required To Take Attendance

- · School is required to take attendance if
 - Outside entity requires that attendance be taken OR
 - School has own requirement that instructors take attendance OR
 - Outside entity or school has requirement that can only be met by taking attendance or a comparable process



References: 34 CFR 668.22(b)(3)(i)





Required To Take Attendance

- If required to take attendance—
 - For some students—use attendance records for those students
 - For a limited period of time—use attendance records for withdrawals during that limited period of time
 - On a specific date—NOT considered to be required to take attendance



References: 34 CFR 668.22(b)(3)(ii), (iii), (iv)



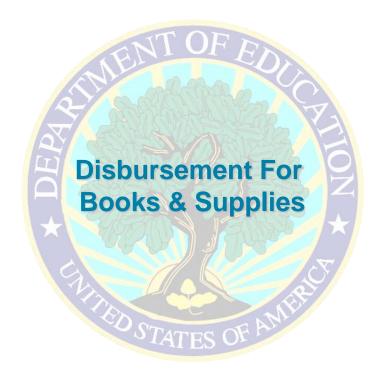
Attendance

- Attendance must be "academic attendance" or "attendance at an academically-related activity". Examples include
 - Physical class attendance where there is direct interaction between instructor and student
 - Submission of an academic assignment
 - Examination, interactive tutorial, or computer-assisted instruction
 - Study group assigned by school
 - Participation in on-line discussion about academic matters
 - Initiation of contact with instructor to ask question about academic subject



References: 34 CFR 668.22(I)(7)

Determination/documentation of attendance must be made by the school. A student's self-certification of attendance is not acceptable unless is supported by school documentation.







Disbursement For Books & Supplies

- Institution must provide a way for *Pell eligible students* to purchase or obtain books and supplies no later than the *7*th day of a payment period if:
 - Funds could have been disbursed 10 days before beginning of payment period

AND

- Disbursed funds would have created a Title IV credit balance
- School provides student with lesser of presumed credit balance or amount needed by student as determined by the school

References: 34 CFR 668.164(i)

Though this provision is applicable only to Pell eligible students, in determining the funds that could have been disbursed 10 days before the beginning of the payment period, an institution must consider all the Title IV program funds that a student is *eligible to receive at that time*.

The student must meet applicable eligibility requirements at least 10 days before the start of the student's payment period.





Disbursement For Books & Supplies

- The school may use a variety of options to assist students in obtaining or purchasing books and supplies
 - Options may include:
 - Cash disbursements, bookstore vouchers, stored-value cards, school credit, check, and EFT transfer to student bank account
- Schools may use one or more options to assist students







Disbursement For Books & Supplies

 If a student uses the way provided by the institution to get the books/supplies, the student is considered to have authorized the use of TIV funds and does not need a written authorization for this purpose only.





3

Disbursement For Books & Supplies

 Institution must have a policy whereby a student may opt out of the way an institution provides for the student to obtain or purchase books and supplies



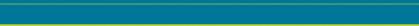


Disbursement & Consumer Information

 Disbursement of books and supplies policy for Pell eligible students must be provided to students in their consumer information







Gainful Employment

- Notices of Proposed Rulemaking published 6/18/10 & 7/26/10
- Two sets of Final Rules published on 10/29/10 with effective date of 7/01/11
 - Program Integrity; Gainful Employment Reporting and Disclosures
 - Gainful Employment New Programs
- · More final rules yet to be published
 - Performance Metrics





Gainful Employment

 In the law, the gainful employment provisions apply to certain programs of study that are Title IV eligible because they lead to gainful employment in a recognized occupation



References: HEA, Part G, Section 481(b)





Gainful Employment

- · All programs at for-profit schools except for
 - Program leading to baccalaureate degree in liberal arts offered since January 2009 at a for-profit school that has been regionally accredited since October 2007
- Any program at a public or not-for-profit school that is not
 - A program leading to degree
 - A transfer program of at least two years



References: 34 CFR 600.4(a)(4)(i)(C)



Recognized Occupation

- Recognized occupation is redefined as:
 - One identified by a Standard Occupational Classification (SOC) code established by OMB, or
 - One identified by an Occupational Network
 O*NET-SOC code established by Department of Labor



References: 34 CFR 600.2

O*Net: Occupational Information Network O* NET–SOC code established by the Department of Labor and available at http://online.onetcenter.org Outdated reference to the Dictionary of Occupational Titles is replaced with current references to SOC codes established by OMB and DOL.





Gainful Employment Annual Submission

- Institution must <u>annually</u> submit information on students enrolled in programs leading to gainful employment in a recognized occupation
 - Information on reporting will be provided by Department



References: 34 CFR 668.6(a)

Report elements include:

- Identifying information about student & school
- Name & CIP code of program if the student began the program in the award year
- Name, CIP and date student completed the program (if completed during the award year)
- Amount student received from private education loans and the amount from institutional financing plans that the student owes the institution upon the completing the program
- Whether the student matriculated to a higher credentialed program at your institution or, if available, evidence transferred to a higher credentialed program at another institution; AND
- For each program (name/CIP) total number of students enrolled in the program at the end of the award year and identifying information for those students





Gainful Employment Annual Submission

- Reporting deadlines:
 - By October 1, 2011
 - 2006-2007 award year information if available
 - 2007-2008, 2008-2009, 2009-2010 award year information
 - 2010-2011 and beyond
 - No earlier than September 30 but no later than the date established by the Secretary in a Federal Register



References: 34 CFR 600.2, 600.4

Please Note: For any award year, if a school cannot produce all or some award year information, the institution must provide to the Department an explanation as to why the information is unavailable.





Gainful Employment Disclosures

- Disclosures must be in promotional materials made available to prospective students AND on its website
- · Program home page website
 - Information simple and meaningful
 - Contain direct link to any other webpage with general, academic or admission information about the program
 - Information in an open format that can be retrieved, downloaded, indexed, and searched



References: 34 CFR 668.6(b)(2)



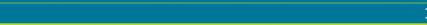
Gainful Employment Disclosures

- Institution is required to disclose:
 - 1.) Occupations (by name and SOC codes) its programs prepare students to enter
 - Links to occupational profiles on O*NET
 - 2.) Costs tuition/fees, room/board and books and supplies
 - May include additional costs



References: 34 CFR 668.6(b)

O*Net crosswalk available at "http://online.onetcenter.org/crosswalk/".



Gainful Employment Disclosures

- Institution is required to disclose:
 - 3.) On-time completion rate for each program
 - 4.) Placement rate for students completing each program



References: 34 CFR 668.6(b), (c)



Gainful Employment Disclosures

- Institution is required to disclose:
 - 5.) Median loan debt incurred by students as provided by ED
 - Identified separately as Title IV loan debt, private educational loan debt and debt from institutional finance plans
 - Institutional finance plan amount student obligated to pay at completion of program



References: 34 CFR 668.6(b)(1)(v)



Gainful Employment New Programs

 Institutions must notify ED at least 90 days before the first day of class when it intends to offer a new educational program that leads to gainful employment in a recognized occupation



References: 34 CFR 600.10, 600.20



Gainful Employment New Programs

 Institutions must notify ED at least 90 days before the first day of class when it intends to offer a new educational program that leads to gainful employment in a recognized occupation



References: 34 CFR 600.10, 600.20





Gainful Employment New Programs

- Approval process
 - Unless ED requires school to obtain approval for additional programs (usually through PPA and school status), once notification is submitted, a school is not required to obtain ED approval
 - If notification is not timely, school must get ED approval
 - If ED determines program approval is necessary, an alert notice will be sent to the school at least 30 days before the first day of class





End Of Module 1

